

SBC - Illinois Study

Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005-2008

July 2005



SBC Illinois
Presubscribed Interexchange Carrier (PIC) Change Charge
Service Order
Nonrecurring Cost Study
2005 - 2008

Overview and Methodology

Purpose

The purpose of this cost study is to provide updated costs for PIC Change orders. For reference, an acronym glossary is included as a separate tab within this cost study.

Service Description

Presubscription is a procedure whereby an end user may select and designate to the Telephone Company an Interexchange Carrier (IC) to access, without dialing an access code, for interLATA calls. This IC is referred to as the end user's primary IC. A charge associated with interLATA is a PIC.

Rate Element Descriptions

Stand-alone Manual PIC Charge, Cost per Change
Stand-alone Mechanized PIC Charge, Cost per Change

Activity-Based Costing

Activity-Based Costing is a widely used method of identifying costs. The structure of an ABC study is based on the fact that activities performed by the company consume resources, and these resources have a specifically identifiable cost. Activities, then, are used to provide services. This gives a logical, easy-to-follow flow through the costing procedure.

Activity-Based Costing uses a number of specific terms, such as *resource*, *activity*, *cost object*, and *drivers* which have simple, yet special meanings.

- A *resource* can be a piece of equipment, a labor rate, or a vendor contracted expense.
- An *activity* is an action that consumes resources. The cost of the activity is calculated based on the cost of the resources that the activity consumes, and the resource driver, or the quantity of resources the activity consumes.
- A *cost object* is a product (i.e., PIC Change).
- *Drivers* are specific units that represent quantities of activities and resources. For example, time in minutes, or orders per line may be drivers. Resource drivers are the quantity of resources consumed by an activity. Activity drivers are the number of activities necessary to provide the service.

The Basics of Activity-Based Costing are:

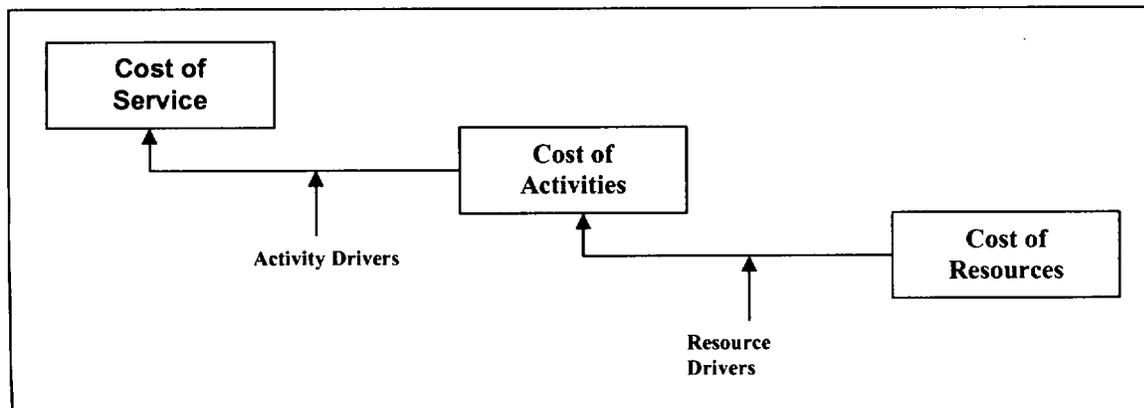
- Cost objects (i.e., services) are provided by activities.
- Activities consume resources.
- Consumption of resources drives costs.

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Figure 1 illustrates the flow of Activity-Based Costing.

Figure 1



Labor Rates

The labor rate represents the cost to SBC of a single hour of labor. The labor rate is inflated (based on the Consumer Price Index) to the midpoint of the study period to make the labor cost representative of the entire study period. A more detailed discussion of labor rates and inflation factors is found later in this methodology.

Inflation Factors

Inflation Factors are utilized to provide one cost over a multi-year period. The inflation factors are developed by using the forecast of the Consumer Price Index (CPI). The CPI represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included.

Labor Rate Development Methodology

Labor rates identify the cost to the firm of consuming a particular resource—an hour of labor. Labor rates begin with a basic hourly wage or salary, and then include costs directly caused by labor that are not captured in the basic wage. These other direct labor costs include:

- break time and/or tour length costs,
- paid absence costs,
- special payments such as team awards and recognition,
- payroll taxes, pension costs, benefit costs,
- support assets, including capital costs associated with support assets

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- Other direct costs such as travel and training, and clerical support and supervision.

Labor rates are developed at the proper level of detail to provide accurate costs for specific activities. First, SBC looks at specific groups of function codes (which designate a specific job function) or activity codes (which designate a specific job activity). These function/activity codes are part of SBC's functional accounting system used to report expenses company-wide. For example, 21XX is the group of all wages and expenses charged to function codes or activity codes that begin with "21", which in this example represents Operator Services functions and activities.

Within the specific group, SBC develops labor rates by Market Zone (for management employees) or Wage Category (for non-management employees). The Market Zone and Wage Category are specific job classifications that determine how much the company pays for a particular job.

The Labor rates in this study begin with an average wage per hour from payroll records. SBC derives relationships of expenses to wages, or expenses to hours worked, to develop labor factors or loadings that it then applies to basic wages to produce total hourly labor cost. All base labor rates in this study represent calendar year 2003. If SBC did not have current labor base rates for a particular state or job title, the most recent labor rate available was adjusted by bringing the basic wage portion of the labor rate current and updating the benefit factor using the most recent data available.

For more information, separate Labor Rate Development documentation is available.

Cost Study Assumptions and Parameters

- LRSIC Methodology
- Slamming costs are included in the PIC change charge
- Study period is 2005 – 2008
- Labor Rates are base year 2003, adjusted to 2006, which is the midpoint of the planning period (2005 – 2008)

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Results

(A)	(B)	(C)	(D)	(E)
Line	Cost Element	Total Cost Source: Bill of Costs	Overhead Factor Source: Input	Total Rate (E)=(C)*(1+D)
1	Manual PIC / LPIC Combination, Cost per Change	#NAME?	32.17%	#NAME?
2	Mechanized PIC / LPIC Combination, Cost per Change	#NAME?	32.17%	#NAME?

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Bill of Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Ln	Cost Element / Activities	Unit Activity Cost Source: BOAC	Activity Driver (Orders per Change) Source: Drivers	Other Activity Driver Source: Drivers	Activity Driver Description	Activity Cost (G=C*D*E)
Manual PIC / LPIC Combination, Cost per Change						
1	Change PIC for "Customer Care Center"	#NAME?	0.50	96.64%	% of manual orders worked by Consumer Customer Care center	#NAME?
2	Change PIC for "Global Markets"	#NAME?	0.02	0.39%	% of manual orders worked by Global Markets center	#NAME?
3	Change PIC for "Non Complex Accounts" (Value)	#NAME?	0.20	2.00%	% of manual orders worked by Non Complex (Value) center	#NAME?
4	Change PIC for "Complex Accounts - Sales" (Signature)	#NAME?	0.12	0.39%	% of manual orders worked by Complex - Sales (Signature)	#NAME?
5	Change PIC for "Complex Accounts - Sales Support" (Signature)	#NAME?	0.12	0.12%	% of manual orders worked by Complex - Sales Support	#NAME?
6	Change PIC for "ISDN Call Center (Prime)"	#NAME?	0.01	0.002%	% of manual orders worked by ISDN Prime center	#NAME?
7	Change PIC for "ISDN Call Center (Direct)"	#NAME?	0.50	0.0%	% of manual orders worked by ISDN Direct center	#NAME?
8	Change PIC for "ISDN Call Center (Centrex)"	#NAME?	0.02	0.010%	% of manual orders worked by ISDN Centrex center	#NAME?
9	Change PIC for "GEM"	#NAME?	0.12	0.45%	% of manual orders worked by GEM center	#NAME?
10	Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - All PIC and/or LPIC Changes	#NAME?		0.00000039	1/Total PIC/LPIC Transactions	#NAME?
11	Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - Manual PIC and/or LPIC Changes	#NAME?		0.00000050	1/Total Manual PIC/LPIC Transactions	#NAME?
12	Provide Slamming Administration support - All PIC and/or LPIC Changes	#NAME?		0.00000039	1/Total PIC/LPIC Transactions	#NAME?
13	Provide Service Order Computer cost per PIC Change	\$0.98	0.43		PIC/LPICs per Order - Wtd. Avg based on service orders	\$0.420
14	Provide PIC IT Cost, per PIC/LPIC Change	\$0.46		n/a	n/a	\$0.460
15	Provide IT Implementation Cost per PIC Change	\$0.02		n/a	n/a	\$0.019
16	Total Cost > SUM (LN 1.....14)					#NAME?
Mechanized PIC / LPIC Combination, Cost per Change						
17	Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - All PIC and/or LPIC Changes	#NAME?		0.00000039	1/Total PIC/LPIC Transactions	#NAME?
18	Provide Slamming Administration support - All PIC and/or LPIC Changes	#NAME?		0.00000039	1/Total PIC/LPIC Transactions	#NAME?
19	Provide Service Order Computer cost per PIC Change	\$0.98	0.43		PIC/LPICs per Order - Wtd. Avg based on service orders	\$0.420
20	Provide PIC IT Cost, per PIC/LPIC Change	\$0.46		n/a	n/a	\$0.460
21	Provide IT Implementation Cost per PIC Change	\$0.02		n/a	n/a	\$0.019
22	Total Cost > SUM (LN 17.....21)					#NAME?

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Bill of Activity Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Ln	Activities / Resources	Workgroup	Job Title	Unit Resource Cost (\$/hr)	Resource Drivers Minutes (Initial)	Percent Occurrence	Resource Cost (F*G/60*F*G)
	Change PIC for "Customer Care Center"						
	Call into CCC by customer or Carrier calls with the customer on-line (3-way). The CTI system provides the representative with the customer's account information. Service rep greets the customer, identifies the name of the caller and determines the reason for the call. Customer advises rep they would like to make a PIC or LPIC change on their account.						
1		Consumer	Service Representative	#NAME?	1.00	100%	#NAME?
2	Accesses ASON+ to make the PIC or LPIC change order.	Consumer	Service Representative	#NAME?	0.50	100%	#NAME?
3	Accesses the AACT screen in ASON+ to make the LPIC change or the EACI screen to make the PIC change.	Consumer	Service Representative	#NAME?	1.50	100%	#NAME?
4	Allege a claim by customer, rep explains rights, completes a slamming complaint form and sends a follow up to the Slamming Complaint Resolution Team for future adjustments if needed.	Consumer	Service Representative	#NAME?	4.00	5%	#NAME?
5	Recaps the order activity with the customer to ensure order accuracy.	Consumer	Service Representative	#NAME?	1.00	100%	#NAME?
6	Completes order, thanks the customer and terminates the call.	Consumer	Service Representative	#NAME?	0.50	100%	#NAME?
7	Sends by ACIS, the order to the appropriate downstream departments to complete the work.	Consumer	Service Representative	#NAME?	0.00	100%	#NAME?
8	Review service order for error and correct if necessary	Consumer	Technical Specialist	#NAME?	7.50	2%	#NAME?
9	Unit Activity Cost > SUM (LN 1.....8)						

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Change PIC for "Global Markets"							
10	Receive customer call to request PIC or LPIC change; customer records are reviewed.	Global	Service Representative	#NAME?	1.15	100%	#NAME?
11	Request customer to fax or email request.	Global	Service Representative	#NAME?	1.15	100%	#NAME?
12	Fax/email requests. Copies are pulled and fax cover sheet is prepared that will be returned to the customer with order info.	Global	Clerical Associate	#NAME?	2.00	100%	#NAME?
13	Log in fax/email for tracking.	Global	Clerical Associate	#NAME?	1.00	100%	#NAME?
14	Distribute request to service rep.	Global	Clerical Associate	#NAME?	1.00	100%	#NAME?
15	Access ASON to make change and place order using the appropriate screen for PIC or LPIC.	Global	Service Representative	#NAME?	30.00	100%	#NAME?
16	End order and fill out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date, order numbers.	Global	Service Representative	#NAME?	2.00	100%	#NAME?
17	Fax cover sheet back to customer and file and/or email confirmation to customer.	Global	Service Representative	#NAME?	1.30	100%	#NAME?
18	Unit Activity Cost > SUM (LN 10.....17)						
Change PIC for "Non Complex Accounts" (Value)							
ACTIVITY BEGINS WITH:							
19	Answer the call (greeting, compliance statement), acknowledge customer request.	Non Complex	Service Representative (Wtd)	#NAME?	0.50	100%	#NAME?
20	Clarify request PIC or LPIC or both. Negotiates TNs where changes are to be made. Validate availability of requested carrier(s).	Non Complex	Service Representative (Wtd)	#NAME?	2.30	100%	#NAME?
21	Access account in ESON. Review account for pending service orders to determine impact. Access screen(s) to make carrier change. Correct any system errors.	Non Complex	Service Representative (Wtd)	#NAME?	2.00	100%	#NAME?
22	Explain rights if customer alleges claim, issue correcting service order to switch carrier back, issue adjustment in BI & forward to SCRT for additional follow-up. This process varies slightly depending on the quantity of calls that require an adjustment & whether or not SBC provides inquiry for the LD carrier.	Non Complex	Service Representative (Wtd)	#NAME?	2.00	20%	#NAME?
23	Recap of all elements of order; PIC or LPIC changes. Provide customer with service order number, due date, charges and usage. Offer additional assistance. Script tag, rate call, note BI account, release/store service order.	Non Complex	Service Representative (Wtd)	#NAME?	2.25	100%	#NAME?
24	Correct error if necessary, resend order.	Non Complex	Service Representative (Wtd)	#NAME?	2.00	5%	#NAME?
25	Unit Activity Cost > SUM (LN 19.....24)						

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Change PIC for "Complex Accounts - Sales" (Signature)						
ACTIVITY BEGINS WITH:						
		Sales	Service Representative	#NAME?	1.00	100%
		Sales	Service Representative	#NAME?	2.00	100%
		Sales	Service Representative	#NAME?	1.00	100%
		Sales	Service Representative	#NAME?	5.00	5%
		Sales	Service Representative	#NAME?	5.00	100%
		Sales	Service Representative	#NAME?	1.40	100%
		Sales	Service Representative	#NAME?		#NAME?
Change PIC for "Complex Accounts - Sales Support" (Signature)						
ACTIVITY BEGINS WITH:						
		BCS	Service Order Writer	#NAME?	2.00	100%
		BCS	Service Order Writer	#NAME?	3.50	100%
		BCS	Service Order Writer	#NAME?	1.00	42%
		BCS	Service Order Writer	#NAME?	2.25	57%
		BCS	Service Order Writer	#NAME?	18.60	100%
		BCS	Service Order Writer	#NAME?	1.00	100%
		BCS	Service Order Writer	#NAME?	2.00	100%
		BCS	Service Order Writer	#NAME?	1.00	100%
		BCS	Service Order Writer	#NAME?	1.00	100%
		BCS	Service Order Writer	#NAME?	1.00	100%
		BCS	Service Order Writer	#NAME?	1.00	100%
		BCS	Service Order Writer	#NAME?	1.00	100%

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Change PIC for "ISDN Call Center (Prime)"	BCS	Technical Associate	#NAME?	1.00	100%	#NAME?	
ACTIVITY BEGINS WITH:							
42	BCS	Technical Associate	#NAME?	1.00	100%	#NAME?	
Request to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request on email or gather request off fax, ensure all paperwork for request is in the Center.							
Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS).							
Validate request is filled out correctly and all required information is obtained, i.e., BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS.							
43	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?	
Access Electronic Processing (EPRO) system and enter required information, i.e., billing info, authorized distributor info, order info.							
Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information.							
44	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?	
Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC or LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASOIN system for any pending orders.							
45	BCS	MSS	#NAME?	3.00	100%	#NAME?	
Access RDA system, verify/obtain the correct PIC or LPIC code for the carrier requested.							
46	BCS	MSS	#NAME?	2.00	100%	#NAME?	
Issue SPS order.							
47	BCS	MSS	#NAME?	2.00	100%	#NAME?	
Access SPS, enter Billed Telephone Number (BTN) and issue new order information to make the changes to PIC. Note details of request.							
Issue ASOIN (ACIS order/record change) order and verify order goes 2 Pending.							
Access ASOIN and manually create the order from scratch.							
Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2P. (2P means the order is pending, there are no errors on the order, the order is ready to flow through on the due date and the order flows to downstream departments.) If order goes 1 Pending (error out: normally formatting error on PIC changes), MSS corrects order, end order and pulls order back up to view to ensure the order has flowed through to 2P.							
48	BCS	MSS	#NAME?	5.00	100%	#NAME?	
Access NOTE screen in BI system and note order information.							
49	BCS	MSS	#NAME?	1.00	100%	#NAME?	
Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email.							
50	BCS	MSS	#NAME?	2.00	100%	#NAME?	
ACTIVITY ENDS WITH:							
51	BCS	MSS	#NAME?	1.00	100%	#NAME?	
Access POP system, pull up track number and complete the request.							
52	Unit Activity Cost > SUM (LN 42.....51)						#NAME?

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Charge PIC for "ISDN Call Center (Direct)"							
ACTIVITY BEGINS WITH:							
53	Request to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center.	BCS	Technical Associate	#NAME?	1.00	100%	#NAME?
	Review request, load into Productivity Order Profile (POP) system and assign to MSS.						
54	Validate request is filled out correctly and all required information is obtained, i.e., BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS.	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?
	Access Electronic Processing (EPRO) system and enter required information, i.e., billing info, authorized distributor info, order info.						
55	Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information.	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?
	Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC.						
56	The PIC/LPIC code in the Customer Services Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders.	BCS	MSS	#NAME?	3.00	100%	#NAME?
	Access RDA system, verify/obtain the correct PIC/LPIC code for the carrier requested.						
57	Issue ASON (ACIS order/record change) order and verify order goes 2Pending.	BCS	MSS	#NAME?	2.00	100%	#NAME?
	Access ASON and manually create the order from scratch.						
58	Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2Pending. (2Pending means the order is pending, there are no errors on the order, the order is ready to flow through on the due date and the order flows to downstream departments). If order goes 1Pending (error out, normally formatting error on PIC changes), MSS corrects order, end order and pulls order back up to view to ensure the order has flowed through to 2Pending.	BCS	MSS	#NAME?	5.00	100%	#NAME?
	Access note screen in BI and note order information.						
59	Access EPRO system, pull up track number, x the appropriate field to show request is complete. Send order confirmation to originator via fax or email.	BCS	MSS	#NAME?	1.00	100%	#NAME?
60		BCS	MSS	#NAME?	2.00	100%	#NAME?
	ACTIVITY ENDS WITH:						
61	Access POP system, pull up track number and complete the request.	BCS	MSS	#NAME?	1.00	100%	#NAME?
62	Unit Activity Cost > SUM (LN 63.....61)						#NAME?

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Activity Description	BCS	Technical Associate	#NAME?	1.00	100%	#NAME?
Change PIC for "ISDN Call Center (Centrax)"						
ACTIVITY BEGINS WITH: Request to change PIC or LPIC are emailed or faxed into the center from the Authorized Distributor, Project Manager or Sales group. Print request off email or gather request off fax, ensure all paperwork for request is in the Center.	BCS	Technical Associate	#NAME?	1.00	100%	#NAME?
Review request, load into Productivity Order Profile (POP) system and assign to Market Support Specialist (MSS).						
Validate request is filled out correctly and all required information is obtained, i.e. BTN, customer account information, Project Manager information, etc. Access POP system and enter request. POP assigns request to the next available MSS capable of working the task type (order type). Exit POP system. Loader delivers the request to the assigned MSS.	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?
Access Electronic Processing (EPRO) system and enter required information, i.e. billing info, authorized distributor info, order info. Approximately 30-50 entries may be required to be populated (customer name, bill telephone number, order number, circuit information, working telephone number of PIC change). EPRO contains a lot of detailed tracking information.	BCS	Technical Associate	#NAME?	5.00	100%	#NAME?
Access Bill Inquiry (BI) system to verify current carrier for PIC/LPIC. The PIC or LPIC code in the Customer Service Record (CSR) is not always in a specified location of the record. Locating the code can take several minutes to find. Access Service Provisioning System (SPS) to verify current carrier for PIC or LPIC and any pending orders. Access ASON system for any pending orders.	BCS	MSS	#NAME?	3.00	100%	#NAME?
Access RDA system, verify/obtain the correct PIC or LPIC code for the carrier requested.	BCS	MSS	#NAME?	1.00	100%	#NAME?
Issue ASON (ACIS order/reorder change) order and verify order goes 2/Pending.						
Access ASON and manually create the order from scratch. Approximately 20-30 entries may be required. End order and pull order back up to view to ensure the order has flowed through to 2/Pending. (2/Pending means the order is pending, there are no errors on the order, the order is ready to flow through on the due date and the order flows to downstream departments.) If order goes 1/Pending (error out, normally formatting error on PIC changes), MSS corrects order, end order and pulls order back up to view to ensure the order has flowed through to 2/Pending.	BCS	MSS	#NAME?	5.00	100%	#NAME?
Access EPRO screen in BI and note order information.	BCS	MSS	#NAME?	1.00	100%	#NAME?
Access EPRO system, pull up track number. X the appropriate field to show request is complete. Send order confirmation to originator via fax or email.	BCS	MSS	#NAME?	2.00	100%	#NAME?
ACTIVITY ENDS WITH: Access POP system, pull up track number and complete the request.	BCS	MSS	#NAME?	1.00	100%	#NAME?
72 Unit Activity Cost > SUM (LN 63.....71)						#NAME?

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Ln	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Change PIC for "GEM"						
	ACTIVITY BEGINS WITH:						
73	Receive the request via email or fax and reviews the request for accuracy or the customer calls into the center directly and advises the customer advocate wants to make a PIC or LPIC change.	BCS	Customer Advocate	#NAME?	1.00	100%	#NAME?
74	Verify PIC/LPIC request in Bill Inquiry/AGIS billing system. Access RDA if carrier code unknown.	BCS	Customer Advocate	#NAME?	1.00	100%	#NAME?
75	Explain rights if customer alleges a slam & complete slamming form. FLUPS information to the SCRT team.	BCS	Customer Advocate	#NAME?	3.00	4%	#NAME?
76	Input service order into ASON order system.	BCS	Customer Advocate	#NAME?	2.00	100%	#NAME?
77	Verify the order is error free. Complete order confirmation via reply email to customer. Send order for processing via END command.	BCS	Customer Advocate	#NAME?	1.00	100%	#NAME?
78	Unit Activity Cost > SUM (LN 73.....77)						

Ln	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Activities / Resources						
	Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - All PIC and/or LPIC Changes						
79	CARE Support	CARE	Area Manager	#NAME?	104	#NAME?	#NAME?
80	CARE Support	CARE	Manager-MI	#NAME?	333	#NAME?	#NAME?
81	CARE Support	CARE	Manager-OH	#NAME?	83	#NAME?	#NAME?
82	IPOC Call Group	CARE	Service Representative	#NAME?	16	#NAME?	#NAME?
83	IPOC Collections	CARE	Service Representative	#NAME?	104	#NAME?	#NAME?
84	Unit Activity Cost > SUM (LN 79.....82)						
	Provide Customer Account Record Exchange (CARE)/ASC/IPOC support - Manual PIC and/or LPIC Changes						
85	IPOC Error Correction	CARE	Service Representative	#NAME?	2611	#NAME?	#NAME?
86	Unit Activity Cost > SUM (LN 85.....85)						

Ln	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Provide Slamming Administration support - All PIC and/or LPIC Changes						
87	Consumer Support	SCRT	Service Representative	#NAME?	1248	#NAME?	#NAME?
88	Business Support	SCRT	Customer Advocate	#NAME?	51	#NAME?	#NAME?
89	Unit Activity Cost > SUM (LN 87.....88)						

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(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	State	JFC	Work Group	Job Title	Labor Cost per Hour (1)	Factor to relate labor rate to current rate for Initiation (2)	Weighting (3)	Adjusted Labor Cost per Hour (F)(G)(H)
1	OH	23XX	Consumer	Service Rep	\$57.06	1.0716	27.25%	\$16.66
2	MI	23XX	Consumer	Service Rep	\$46.65	1.0716	24.27%	\$12.91
3	IL	23XX	Consumer	Service Rep	\$51.13	1.0716	38.60%	\$21.15
4	OK	23XX	Consumer	Service Rep	\$46.70	1.0716	9.88%	\$5.16
5	Weighted	23XX	Consumer	Service Representative			100.00%	\$35.88
6	MI	23XX	Consumer	Technical Specialist	\$51.11	1.0716	100.00%	\$54.77
7	IL	23XX	BCS	Service Representative	\$51.13	1.0716	100.00%	\$54.79
8	OH	23XX	Non Complex	Service Representative	\$57.06	1.0716	26.61%	\$16.27
9	MI	23XX	Non Complex	Service Representative	\$46.65	1.0716	19.88%	\$10.58
10	WI	23XX	Non Complex	Service Representative	\$53.98	1.0716	53.51%	\$30.95
11	Weighted	23XX	Non Complex	Service Representative (Wtd)			100.00%	\$57.80
12	OH	23XX	Global	Service Rep	\$57.06	1.0716	18.62%	\$11.39
13	MI	23XX	Global	Service Rep	\$46.65	1.0716	45.52%	\$24.22
14	IL	23XX	Global	Service Rep	\$51.13	1.0716	35.89%	\$19.65
15	Weighted	23XX	Global	Service Representative			100.00%	\$55.26
16	OH	23XX	Global	Clerical Assoc	\$54.53	1.0716	18.62%	\$10.88
17	MI	23XX	Global	Clerical Assoc	\$52.71	1.0716	45.52%	\$25.71
18	IL	23XX	Global	Clerical Assoc	\$48.97	1.0716	35.86%	\$19.20
19	Weighted	23XX	Global	Clerical Associate			100.00%	\$35.79
20	IL	23XX	BCS	Service Order Writer	\$54.82	1.0716	100.00%	\$58.85
21	IL	23XX	BCS	MIS	\$54.82	1.0716	100.00%	\$58.85
22	IL	23XX	BCS	Technical Associate	\$54.82	1.0716	100.00%	\$58.85
23	IL	23XX	BCS	Customer Associate	\$54.82	1.0716	100.00%	\$58.85
24	WI	23XX	Sales	Service Representative	\$53.98	1.0716	100.00%	\$57.79
25	IN	23XX	CARE	Area Manager	\$69.35	1.0716	100.00%	\$73.25
26	OH	23XX	CARE	Manager-OH	\$72.84	1.0716	100.00%	\$77.06
27	MI	23XX	CARE	Manager-MI	\$61.49	1.0716	100.00%	\$65.89
28	TX	23XX	CARE	Service Representative	\$54.19	1.0716	100.00%	\$58.07
29	OH	23XX	SCRT	Manager	\$72.84	1.0716	100.00%	\$77.06
30	IL	23XX	SCRT	Service Representative	\$51.13	1.0716	100.00%	\$54.79
31	MI	23XX	SCRT	Customer Advocate	\$46.65	1.0716	100.00%	\$53.21
32	MI	23XX	SCRT	Area Manager	\$82.27	1.0716	100.00%	\$86.16

NOTES:
 (1) Labor rates located in input tab
 (2) Relate to Current and Initiation Calculations.

Labor Rate Base Year	Year	Value
2004	2003	
2004 Wage Increase	2004	2.0%
2005 Wage Increase	2005	2.5%
2006 Wage Increase	2006	2.5%
Inflation to midpoint based on union contract increase		1.0716

(3) The Consumer Service Representative, Global Service Representative and Clerical Associate, and Non Complex Service Representative can perform work for Illinois customers. The weightings were based on the number of employees located in each state doing the work function.

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ACTIVITY DRIVERS				
(A)	(B)	(C)	(D)	(E)
	Driver Description	Percent Orders by Channel	Percent Manual Orders	Value
Line		Source: Input	Source: Input	(PIC/IC/TC)
1	% of manual orders worked by Consumer Customer Care center	96.84%	100.00%	96.84%
2	% of manual orders worked by Global Markets center	0.38%	100.00%	0.38%
3	% of manual orders worked by Complex - Sales (Signature Account) center	0.38%	100.00%	0.38%
4	% of manual orders worked by Complex - Sales Support (Signature Account) center	2.00%	100.00%	2.00%
5	% of manual orders worked by Non-Complex (Utility) center	0.00%	100.00%	0.00%
6	% of manual orders worked by ISDN Prime center	0.00%	100.00%	0.00%
7	% of manual orders worked by ISDN Direct center	0.01%	100.00%	0.01%
8	% of manual orders worked by ISDN Centrix center	0.01%	100.00%	0.01%
9	% of manual orders worked by GEM center	0.45%	100.00%	0.45%
(A)	(B)	(C)	(D)	(E)
		Quantity Total	Value	
Line	Driver Description	PIC/LPIC Changes	(f/c)	
10	1/Total PIC/LPIC Transactions	2,559,648	0.000003908	
11	1/Total Manual PIC/LPIC Transactions	2,907,996	0.000004980	
(A)	(B)	(C)	(D)	(E)
		PIC Changes per Order	Value	
Line	Driver Description	Source: Input	(f/c)	
Stand-Alone PIC Change				
12	PIC/LPICs per Order - Consumer	2.01	0.50	
13	PIC/LPICs per Order - Global	50.00	0.02	
14	PIC/LPICs per Order - Complex - Sales (Signature)	8.15	0.12	
15	PIC/LPICs per Order - Complex - Sales Support (Signature)	8.15	0.12	
16	PIC/LPICs per Order - Non-Complex (Value)	4.94	0.20	
17	PIC/LPICs per Order - ISDN Prime	98.40	0.01	
18	PIC/LPICs per Order - ISDN Direct	2.00	0.50	
19	PIC/LPICs per Order - ISDN Centrix	61.52	0.02	
20	PIC/LPICs per Order - GEM	8.25	0.12	
21	PIC/LPICs per Order - Wtd Avg based on service orders	2.32	0.43	
(A)	(B)	(C)	(D)	(E)
		Number of Employees	Resource Time	Value
Line	Driver Description	Source: Input	(annual hours)	(PIC/IC/TC)
22	CARE Area Manager - IN Labor Hours	1	2,080	104
23	CARE Manager - MI Labor Hours	1	2,080	333
24	CARE Manager - OH Labor Hours	1	2,080	83
25	CARE Service Representative - TX Labor Hours (error correction)	4	2,080	31.4%
26	CARE Service Representative - TX Labor Hours (call group)	9	2,080	0.06%
27	CARE Service Representative - TX Labor Hours (collections)	1	2,080	\$ 0%
28	SCRT Service Representative	3	2,080	20.0%
29	SCRT Customer Advocate	1	2,080	2.5%
30	SCRT Customer Advocate	1	2,080	2.5%

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Glossary

AAC1	Intralata Access Carrier	ASON+ screen for Intralata carrier PIC changes.
ACIS	Ameritech Customer Information System	System that does billing of retail customers exchange tariff network access or channel services, equipment and/or usage products and services. It downloads billing based on bill periods.
ASC	Access Service Center	Location where service representatives are employed. The ASC was previously called the ICSC (Interexchange Carrier Service Center).
ASON	ACIS	Part of the ACIS ordering and billing system, used for the mechanized entry of retail service orders. ASON is used for the basic POTS service and ASON+ for the more complex products and services.
BCS	Business Communication Services	
BI	Billing Inquiry	Subsystem of ACIS
BORC	Bill of Resource Costs	The section of the cost study that shows the cost of each resource. Resources can be labor such as a service representative's time or equipment such as a multipurpose position. In the case of this study it is labor.
BRI	Basic Rate Interface	
BTN	Billed Telephone Number	
CARE	Customer Account Record Exchange	Application that interfaces with the interexchange carriers to provide them with tariffed FCC mandated billing information and optional ALDIS products.
CCC	Consumer Call Center	Consumer group of service representatives taking inbound calls from customers. The service representatives handle inquiries for products and services offered by SBC-East.
CMI Aspen Compliance Statement		Outside vendor that handles adding PIC/LPIC protection.
CRD	Competitive Response Database	Scripted request to access customer's records
CSR	Customer Service Record	Database that receives and sends files to downstream systems to process orders.
CTI	Computer Telephony Information	Reflects the customer's current lines and products with SBC. System used by service representatives to place and receive calls.

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Glossary

EAC	Equal Access Carrier	ASON+ screen for Intralata carrier PIC changes.
EPRO	Electronic Processing	
ESON	English Service Order Negotiation	Ordering system used in Brecksville (Ohio), Saginaw (Michigan) and Pewaukee (Wisconsin).
LPIC	Local Presubscription Interexchange Carrier	The Intralata carrier selected by the customer.
PIC	Presubscription Interexchange Carrier	The Intralata carrier selected by the customer.
PIC/LPIC	(see above)	PIC or LPIC
POP	Productivity Order Profile	An application which routes electronic orders to the proper Call Center and to an individual Customer Advocate, matching skills with order content.
PPC	Prohibit PIC Change	FID used to order add or remove PIC freeze.
PPL	PIC Protect Local	FID used to order add or remove LPIC freeze.
RDA	Reference Deployment Automation	An application that delivers web-based GUI to automate the manually intensive Rapid Deployment table update process.
Script Tag		Scripted request to ask the customer if everything requested has been handled properly.
SCRT	Slamming Complaint Resolution Team	This group resolves all customer slamming complaints.
SPS	Service Provisioning System	Provides on-line entry of ISDN and Centrex provisioning requests. Mechanized means of transmitting Centrex provisioning forms from marketing downstream to network departments. Also provides a means of transmitting information provider requests between c

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Input

	Input	Value	Source
	Completion Date	July 2005	
	State	SBC - Illinois Study	
	Cost Study Title	Presubscribed Interexchange Carrier (PIC)	
	Cost Study Subtitle 1	Change Charge	
	Cost Study Subtitle 2	Nonrecurring Cost Study	
	Study Period	2005-2008	
	Midpoint	2006	
	Labor Rate Base Year	2003	Cost Group
1	2004 Wage Increase	2.0%	2004 Union Labor Contract
2	2005 Wage Increase	2.5%	2004 Union Labor Contract
3	2006 Wage Increase	2.5%	2004 Union Labor Contract
	Percent of Service Orders by Channel		
4	Consumer	96.64%	IL PIC LPIC Weighting by Orders
5	Global Markets	0.39%	IL PIC LPIC Weighting by Orders
6	Complex - Sales (Signature Accounts)	0.39%	IL PIC LPIC Weighting by Orders
7	Complex - Sales Support (Signature Accounts)	0.12%	IL PIC LPIC Weighting by Orders
8	Non Complex (Value Accounts)	2.00%	IL PIC LPIC Weighting by Orders
9	Government/Education/Municipal (GEM)	0.45%	IL PIC LPIC Weighting by Orders
10	ISDN Prime	0.002%	IL PIC LPIC Weighting by Orders
11	ISDN Direct	0.00%	IL PIC LPIC Weighting by Orders
12	ISDN Centrex	0.01%	IL PIC LPIC Weighting by Orders
13	Total	100%	
	PIC/LPIC Changes per Request by Channel		
14	Consumer Customer Care	2.01	Associate Director-Ad Hoc Reporting
15	Global Markets	50.00	25 PIC and 25 LPIC changes per request (provided by Area Manager - Operations Support)
16	Signature Accounts - Complex Sales	8.15	Associate Director-Ad Hoc Reporting
17	Signature Accounts - Complex Sales Support	8.15	Associate Director-Ad Hoc Reporting
18	Non Complex - Value Accounts	4.94	Associate Director-Ad Hoc Reporting
19	ISDN Prime	96.40	Associate Director-Ad Hoc Reporting
20	ISDN Direct	2.00	Associate Director-Ad Hoc Reporting
21	ISDN Centrex	61.52	Associate Director-Ad Hoc Reporting
22	Government/Education/Municipal (GEM)	8.25	Associate Director-Ad Hoc Reporting
23	PIC/LPICs per Order - Wtd. Avg based on service orders	2.32	=SUM(Channel Orders * Channel % Orders) / Total Percent

SBC - Illinois Study

Presubscribed Interchange Carrier (PIC) Change Charge
Nonrecurring Cost Study

2005-2008

July 2005

Input

	Input	Value	Source
24	Manual PIC/LPIC Transactions	2,007,996	Area Manager - CARE Process Support
25	Mechanized PIC/LPIC Transactions	550,652	Area Manager - CARE Process Support
26	Total PIC/LPIC Transactions	2,558,648	Total Manual and Mechanized Transactions
27	Percent Manual Transactions	100.00%	Product Management
28	Provide Service Order Computer cost per PIC Change	\$0.98	IT SO Billed Cost Study (July 2004) 13 state average
29	Provide PIC IT Cost, per PIC/LPIC Change	\$0.46	PIC Processing IT Costs_2003_R2.xls (13 State Average)
30	Provide IT Implementation Cost per PIC Change	\$0.02	SBC Regional IT Implementation Costs
31	Overhead Factor	32.17%	SBC ARMIS Overhead Factor PICS 7-25-04
32	Annual Hours	2,080	Cost Analysis Factors Group
	CARE Labor Support		
33	% Dedicated to Support SBC Illinois - Area Manager IN	5.0%	Area Manager - CARE Process Support
34	% Dedicated to Support SBC Illinois - Manager MI	16.0%	Area Manager - CARE Process Support
35	% Dedicated to Support SBC Illinois - Manager OH	4.0%	Area Manager - CARE Process Support
36	CARE Area Manager - IN	1	Area Manager - CARE Process Support
37	CARE Manager - MI	1	Area Manager - CARE Process Support
38	CARE Manager - OH	1	Area Manager - CARE Process Support
	IPOC Labor Support		
39	% Dedicated to Support SBC Illinois - Service Representative (error correction)	31.4%	Manager - ASC
40	% Dedicated to Support SBC Illinois - Service Representative (call group)	0.1%	Manager - ASC
41	% Dedicated to Support SBC Illinois - Service Representative (collections)	5.0%	Manager - ASC
42	CARE Service Representative - TX (error correction)	4	Manager - ASC
43	CARE Service Representative - TX (call group)	9	Manager - ASC
44	CARE Service Representative - TX (collections)	1	Manager - ASC
	SCRT Labor Support		
45	% Dedicated to Support SBC Illinois - Service Representative	20.0%	SCRT - Coach Leader
46	% Dedicated to Support SBC Illinois - Customer Advocate	2.5%	SCRT - Manager Call Center
47	SCRT Service Representative	3	SCRT - Coach Leader
48	SCRT Customer Advocate	1	SCRT - Manager Call Center

SBC - Illinois Study

**Presubscribed Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study**

2005-2008

July 2005

Input

Input Value Source

Labor Rate Weightings

Consumer (1)

	Number of Employees	Weighting %
49 Ohio	814	27.25%
50 Michigan	725	24.27%
51 Illinois	1,153	38.60%
52 Oklahoma	295	9.86%
53 Total	2,987	100.00%

Non Complex (2)

54 Ohio	174	26.61%
55 Michigan	130	19.88%
56 Wisconsin	350	53.51%
57 Total	654	100.00%

Global - Service Representative (3)

58 Ohio	27	18.62%
59 Michigan	66	45.52%
60 Illinois	52	35.86%
61 Total	145	100.00%

Global - Clerical Associate (3)

62 Ohio	27	18.62%
63 Michigan	66	45.52%
64 Illinois	52	35.86%
65 Total	145	100.00%

(1) Headcount as of June 30, 2004

(2) Headcount as of June 30, 2004

(3) Headcount as of June 30, 2004

Manager - Quality/M&P/Process (Consumer)
Manager - Quality/M&P/Process (Non-Complex)
Area Manager - Operations Support

66 OH - 23XX Service Representative	\$57.06	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
67 MI - 23XX Service Representative	\$49.65	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
68 IL - 23XX Service Representative	\$51.13	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
69 OK - 23XX Service Representative	\$48.70	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
70 MI - 23XX Technical Specialist	\$51.11	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
71 WI - 23XX Service Representative	\$53.98	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
72 OH - 23XX Clerical Associate	\$54.53	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
73 MI - 23XX Clerical Associate	\$52.71	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
74 IL - 23XX Clerical Associate	\$49.97	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
75 IL - 23XX Service Order Writer	\$54.92	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
76 IL - 23XX MSS	\$64.51	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
77 IL - 23XX Technical Associate	\$54.92	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
78 IN - 23XX Area Manager	\$54.92	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
79 OH - 23XX Manager	\$68.35	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
80 MI - 23XX Manager	\$72.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
81 TX - 23XX Service Representative	\$61.49	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
82 OH - 23XX Manager	\$54.19	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
83 MI - 23XX Area Manager	\$72.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
	\$82.27	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04